

TROUTMAN SANDERS LLP

A T T O R N E Y S A T L A W
A LIMITED LIABILITY PARTNERSHIP

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February 12, 2001

VIA HAND DELIVERY

The Honorable Vernon A. Williams
Secretary
Surface Transportation Board
1925 K Street, NW
Room 704
Washington, D.C. 20423

RECORDATION NO. 23380 FILED

FEB 12 '01 4:19 PM
Ts
SURFACE TRANSPORTATION BOARD

RE: Railcar File No. _____
Memorandum of Loan and Security Agreement Between Bank of America, N.A.,
Agent, and St. Marys Railroad, LLC

Dear Secretary Williams:

I am enclosing herewith three originals of a primary document described below, to be recorded pursuant to Section 11301 of Title 49 of the U.S. Code. A description of the equipment covered by the document follows hereafter.

Primary Document: The primary document filed herewith is:

Memorandum of Loan and Security Agreement, entered into January 31, 2001, between Bank of America, N.A., as Agent, ("Secured Party") and St. Marys Railroad, LLC, ("Borrower"), covering 3 locomotives, SM 503, SM 504 and SM 505.

The names and addresses of the parties to the secondary document are as follows:

Borrower:

St. Marys Railroad, LLC
P.O. Box 520
St. Marys, GA 31558

TROUTMAN SANDERS LLP
ATTORNEYS AT LAW
A LIMITED LIABILITY PARTNERSHIP

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Secured Party:

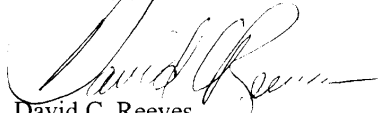
Bank of America, N.A., as Agent
600 Peachtree Street, N.E.
Atlanta, GA 30308

Summary for the index:

Memorandum of Loan and Security Agreement covering three locomotives: Road No. SM 503 (Manufacturer/Model: General Motors Corp. Electro-Motive Division/SW-1500; Serial Number: 37068), Road No. SM 504 (Manufacturer/Model: General Motors Corp. Electro-Motive Division/MP-15; Serial Number: 74645-1), and Road No. SM 505 (Manufacturer/Model: General Motors Corp. Electro-Motive Division/MP-15; Serial Number: 756156).

Enclosed please also find the \$27.00 filing fee. Please return all enclosed documents that are not needed by the Board for recordation to the person delivering the filing.

Very truly yours,

A handwritten signature in black ink, appearing to read "David C. Reeves", written over a horizontal line.

David C. Reeves
Attorney for Bank of America, N.A.

MEMORANDUM OF LOAN AND SECURITY AGREEMENT

This Memorandum of Loan and Security Agreement, made and entered into as of January 31, 2001, by and between Bank of America, N.A. (in its capacity as agent, the "Agent"), and St. Marys Railroad, LLC ("Grantor").

WITNESSETH:

Each of the undersigned have entered into that certain Loan and Security Agreement dated January 31, 2001, by and among Agent, Grantor, and Durango Paper Company and its subsidiaries Durango Georgia Paper Company, Durango Georgia Sales Company, Durango Georgia Converting Corporation, and Durango Georgia Converting, LLC (said agreement being referred to herein as the "Loan and Security Agreement"). By the Loan and Security Agreement, Grantor has granted to Agent a security interest in certain railroad locomotives described in Exhibit A hereto, in order to secure repayment of all of Grantor's obligations under the Loan and Security Agreement and to secure Grantor's performance of all of its other obligations under that agreement.

IN WITNESS WHEREOF, the parties hereto have each caused this Memorandum of Loan and Security Agreement to be executed by their respective, duly-authorized officers as of the day and year first above written.

BANK OF AMERICA, N.A., as Agent

By

Name:

Title:

Andrew R. Doherty
Andrew R. Doherty
Vice President

ST. MARYS RAILROAD, LLC

By

Name:

Title:

Gabriel Villegas Salazar
Gabriel Villegas Salazar
Secretary

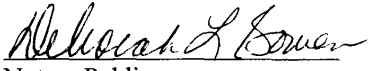
RECORDATION NO. 23380 FILED

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SURFACE TRANSPORTATION BOARD

STATE OF GEORGIA)
) SS
COUNTY OF FULTON)

On this 31st day of January, 2001, in Fulton County, Georgia, before me personally appeared Andrew F. Doherty, to me personally known, who being by me duly sworn, says that [s]he is the Vice President of Bank of America, N.A., that the foregoing instrument was signed on behalf of said national banking association by authority of its Board of Directors, and [s]he acknowledged that the execution of the foregoing instrument was the free act and deed of said national banking association.


Notary Public

[NOTARIAL SEAL]

My commission expires: _____

Notary Public, Cobb County, Georgia.
My Commission Expires September 19, 2001.

MEMORANDUM OF LOAN AND SECURITY AGREEMENT
BETWEEN BANK OF AMERICA, N.A., AND
ST. MARYS RAILROAD, LLC

STATE OF Georgia)
) SS
COUNTY OF Fulton)

On this 31st day of January, 2001, in Fulton County, Georgia, before me personally appeared Gabriel Villegas Salazar, to me personally known, who being by me duly sworn, says that [s]he is the Secretary of St. Marys Railroad, LLC, that the foregoing instrument was signed on behalf of said limited liability company by authority of its Board of Directors, and [s]he acknowledged that the execution of the foregoing instrument was the free act and deed of said limited liability company.

Jan M. Davis
Notary Public

[NOTARIAL SEAL]

My commission expires: 1/28/05

Exhibit A

Railroad Locomotives

Road No.: SM 503
Manufacturer: General Motors Corporation Electro-Motive Division
Model: SW-1500
Horsepower: 1500
Built Date: 1971
Serial Number: 37068

Road No.: SM 504
Manufacturer: General Motors Corporation Electro-Motive Division
Model: MP-15
Horsepower: 1500
Built Date: 1974
Serial Number: 74645-1

Road No.: SM 505
Manufacturer: General Motors Corporation Electro-Motive Division
Model: MP-15
Horsepower: 1500
Built Date: 1976
Serial Number: 756156